

Fiscal Note

Fiscal Services Division



SF 431 – Solar Energy System Tax Credit (LSB 1447SV)
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Fiscal Note Version – New

Description

Senate File 431 relates to the Solar Energy System Tax Credit created in **SF 2342** (Solar and Other Tax Changes Act of 2012). This bill:

- Allows any tax credits from the current \$1.5 million annual limit that remain unused at the end of one tax year to carryforward and be added to the limit the next tax year.
- Allows taxpayers to apply for and claim tax credits for separate and distinct solar installations.

This Bill is effective on enactment and applies retroactively to the start of tax year 2013.

Assumptions

- The language does not apply to the unused portion of the tax credit allocation that was available for tax year 2012.
- The tax year 2013 allocation will have a projected \$365,000 in unused allocation when the tax year closes. Under current law, those credits will not be available in tax year 2014 and therefore cannot be claimed. Under this bill, the credits will be added to the tax year 2014 limit.
- All credits available for tax year 2014 and after will be fully awarded and claimed.

Fiscal Impact

The changes to the Solar Energy System Tax Credit proposed in this Bill are projected to reduce net General Fund revenue by:

- FY 2015 = \$ -210,000
- FY 2016 = \$ -155,000

Source

Department of Revenue

/s/ Holly M. Lyons

April 8, 2013

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
